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 Ameritech

January 22, 1997

James K. Smith
Director
Federal Relations
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**Federal Communications Commission
Office of Secretary**

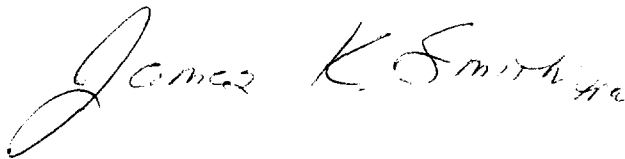
Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, NW
Room 222
Washington, DC 20554

Re: **Ex Parte Statement**
CC Docket 96-98 and Docket 97-1

Dear Mr. Caton:

On January 21, 1996, Mr. Dan Kocher, Ms. Kristin Shulman and I met with members of the Policy and Program Planning Division. The attached material was used as part of our common transport discussion and should become part of the 251 record. Pursuant to staff's request, this material is also being entered into the record for CC Docket 97-1.

Sincerely,



Attachment

cc: R. Welch
D. Stockdale
M. Waksman
B. Olson
D. Ellen
V. Gutta
K. Gude
C. Brown
L. Gelb

Unbundled Network Elements

Dedicated and Shared Transport

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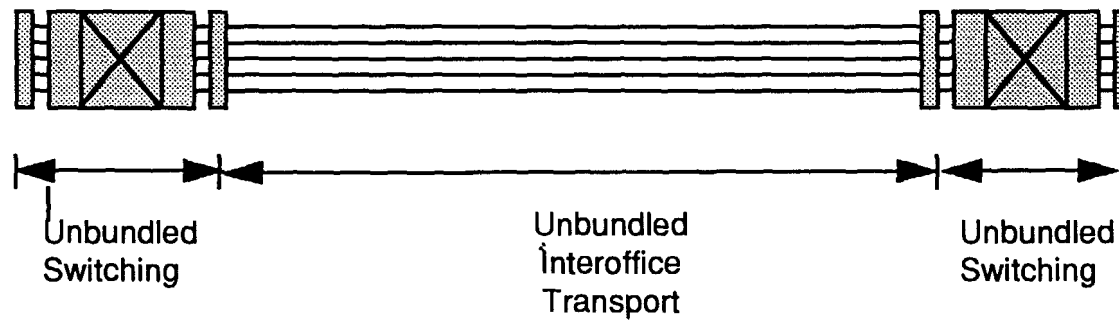
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'96 Act Requirements

- Access to Network Elements (251(c)(3))
- Resale - Network Services at Wholesale Rates(251(c)(4))
- Checklist - Local Transport Unbundled from switching (271(c)(2)(B)(v))

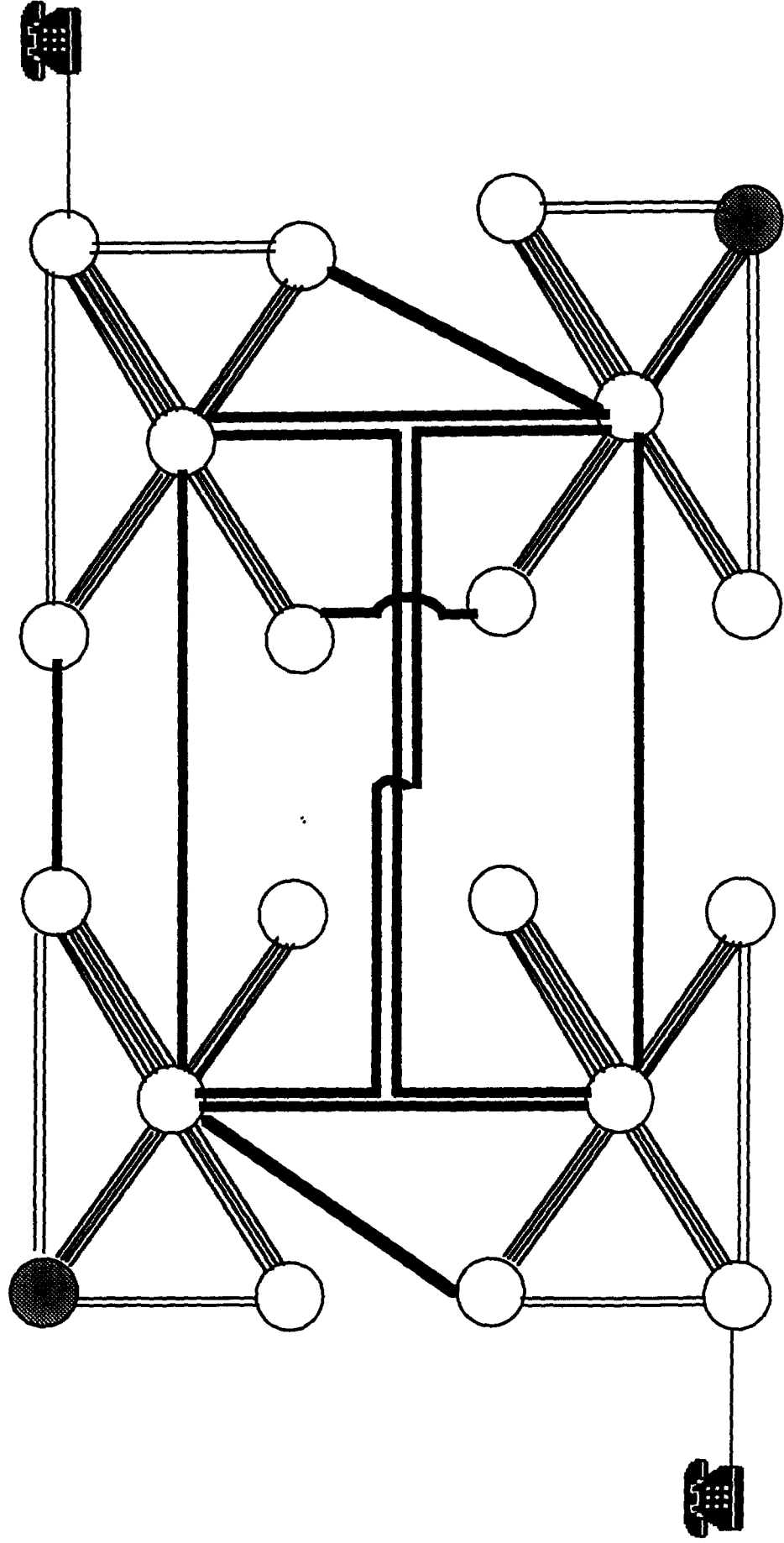
Network Element Concepts



“Common” Transport

- Loosely used Term
- Conceptually used to describe basic network connectivity
- Used to Support all Services
- Available as Switched Access and wholesale toll or local usage

Wholesale Network Services



Wholesale Services

- Discounts on services offered to retail customers
- Offered at Wholesale Prices:
$$\text{Retail Price} - \text{Avoided Costs} = \text{Wholesale Price}$$
- Carrier Access Services classified as a Wholesale services.

Common Transport

- Was a Part 69 Defined Rate Element, Now Called Tandem Switched Transport
- Is not a discrete network element, simply uses the existing public switched network
- Integral part of the Public Switched Network requiring hundreds of components used in “common”.
- Inextricably intertwined with switching, not “transport unbundled from switching”

Common Transport Available at Access and Wholesale Rates

- Functions Available as Wholesale Services for use with Unbundled Local Switching
- May be accessed without custom routing
- Technically identical to Ameritech's Access and Retail services
- Pricing Issue

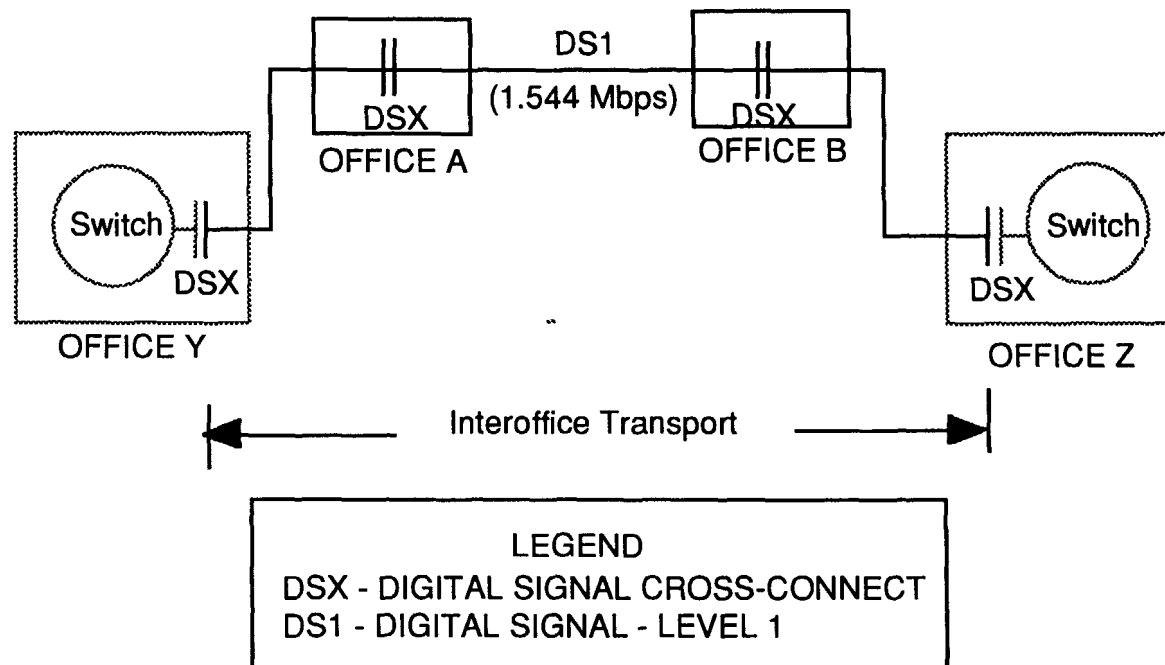
Common Transport Identical to Retail/Wholesale Services

- Public Switched Network carries call
- Same facilities used for calls of retail and wholesale customers
- Common Transport is service combining:
 - Local Switch Ports
 - Interoffice Facilities
 - Tandem Switch Ports

Interoffice Transport Network Element

- Unbundled from Switching or other services
- Discrete facility or equipment
- Used in the provision of Telecommunications service
- Accessible by the requesting Telecommunication Carrier

Unbundled Interoffice Transport



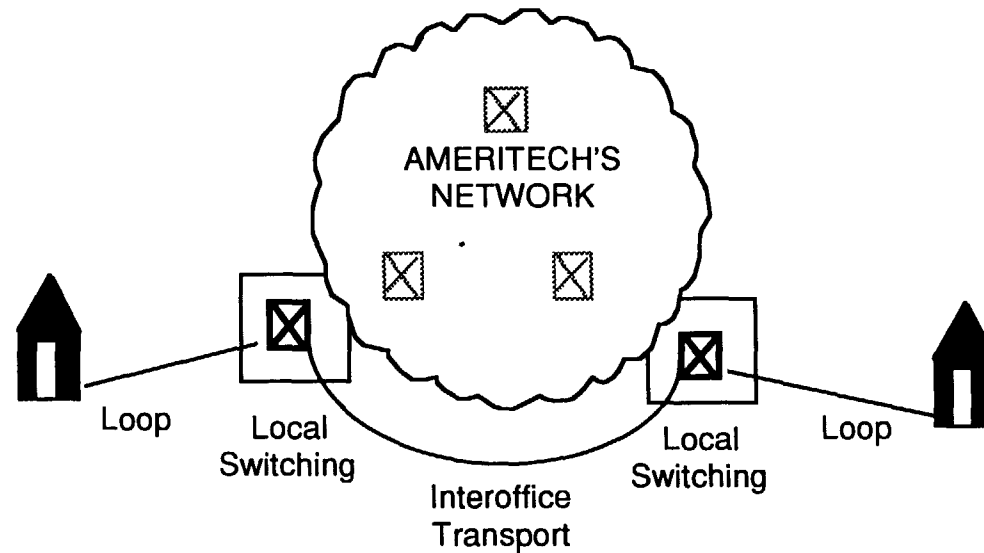
Interoffice Transport Billing Options

- Dedicated - A Discrete Network Element Used Exclusively by a single Carrier and Billed to that Carrier
- Shared - A Discrete Network Element Jointly Used by Two or More Carriers. Bill Prorated as Directed by Sharers

Attributes of the Interoffice Transport Network Element

- May be combined with other network Elements
- Provided between two Ameritech Offices, an Ameritech Office and an TC's Office, or between two TCs' Offices
- Standard Offerings DS1, DS3, OC-3, OC-12, OC-48
- Other types available upon request

Network Elements versus Ameritech's Network Services



Policy Issues

- Inconsistent with Network Element's Definition
- Contrary to 96-98 Orders
- Undermines Access, Toll and Local Usage
- Guts Pricing Assumptions of 252
- Common Transport is "Sham Unbundling"
- Common Transport would Permit Carriers to obtain Wholesale Services at TLRIC Rates